

Financial Report

(Reviewed)

*Thirty-Fourth Judicial District Office
of the Public Defenders*

Chalmette, Louisiana

For the year ended June 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 26 2014

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

TABLE OF CONTENTS

Thirty-Fourth Judicial District Office of the Public Defenders

June 30, 2013

| | <u>Page Number</u> |
|---|-------------------------------|
| Financial Section | |
| Independent Accountant's Review Report | 1 - 2 |
| Management's Discussion and Analysis | 3 - 7 |
| Exhibits | |
| Basic Financial Statements: | |
| Government-Wide and Fund Financial Statements. | |
| A - Statement of Net Position and Governmental Fund Balance Sheet | 8 |
| B - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position | 9 |
| C - Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance | 10 |
| D - Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities | 11 |
| E - Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund | 12 |
| F - Notes to Financial Statements | 13 - 22 |
| Special Report of Certified Public Accountants | |
| Independent Accountant's Report on Applying Agreed-Upon Procedures | 23 - 26 |
| Schedule of Findings and Responses | 27 - 28 |
| Reports by Management | |
| Schedule of Prior Year Findings and Responses | 29 |
| Management's Corrective Action Plan on Current Year Findings | 30 |
| Louisiana Attestation Questionnaire | 31 - 32 |

FINANCIAL SECTION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Thirty-Fourth Judicial District
Office of the Public Defenders,
Chalmette, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, and the General Fund of the of Thirty-Fourth Judicial District Office of the Public Defenders (the "Office"), as of and for the year ended June 30, 2013, which collectively comprise the Office's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Office. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion

Management of the Office is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements

Our responsibility is to conduct the review in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated December 17, 2013, on the results of our agreed-upon procedures.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 7, and page 12, are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 17, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Thirty-Fourth Judicial District Office of the Public Defenders

The Management's Discussion and Analysis of the Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") financial performance presents a narrative overview and analysis of the Office's financial activities for the year ended June 30, 2013. This document focuses on the current period's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Office's assets exceeded its liabilities at the close of the year ended June 30, 2013 by \$109,200 (net position), which represents a 84 30% increase as compared to the fiscal year ended June 30, 2012

The Office's revenues for the fiscal year ended June 30, 2013 increased \$105,146 (or 33.71%) as compared to the fiscal year ended June 30, 2012. This is principally due to an increase of service fees and state funds.

The Office's expenses for the fiscal year ended June 30, 2013 decreased by \$29,578 (or 7.46%) as compared to the fiscal year ended June 30, 2012. This is due to decreases in materials and supplies and office expenses.

The Office did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Office's basic financial statements. The Office's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) special reports by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Office:

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Office's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Office's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Office is improving or deteriorating. The Statement of Activities presents information showing how the Office's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Office is to provide legal defense to indigents.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Office are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Office maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The Office adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 8 through 12 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit E of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Office's financial position. As of June 30, 2013, assets exceeded liabilities by \$109,200. A portion of the Office's net assets (.13%) reflects its investment in capital assets reported at \$138 (cost less accumulated depreciation). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

| | <u>June 30, 2013</u> | <u>June 30, 2012</u> | <u>Dollar Change</u> |
|----------------------------|--------------------------|--------------------------|--------------------------|
| Current and other assets | \$ 109,312 | \$ 60,465 | \$ 48,847 |
| Capital assets | <u>138</u> | <u>703</u> | <u>(565)</u> |
| Total assets | <u>109,450</u> | <u>61,168</u> | <u>48,282</u> |
| Current liabilities | <u>250</u> | <u>1,917</u> | <u>(1,667)</u> |
| Net position: | | | |
| Invested in capital assets | 138 | 703 | (565) |
| Unrestricted | <u>109,062</u> | <u>58,548</u> | <u>50,514</u> |
| Total net position | <u>\$ 109,200</u> | <u>\$ 59,251</u> | <u>\$ 49,949</u> |

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the Office's net position by \$49,949. Key elements of this increase are:

Condensed Statements of Activities

| | For the Year Ended June 30, 2013 | For the Eighteen Months Ended June 30, 2012 | Dollar Change | Total % Change |
|--|--|---|------------------|-------------------|
| Revenues: | | | | |
| Service fees | \$ 189,602 | \$ 185,081 | \$ 4,521 | 2 |
| State Revenue District | 227,376 | 126,743 | 100,633 | 79 |
| Other | 68 | 76 | (8) | (11) |
| Total revenues | 417,046 | 311,900 | 105,146 | 34 |
| Expenses: | | | | |
| General and governmental | 367,097 | 396,675 | (29,578) | (7) |
| Increase (decrease) in net position | 49,949 | (84,775) | 134,724 | (159) |
| Net position beginning of year | 59,251 | 144,026 | (84,775) | (59) |
| Net position end of year | \$ 109,200 | \$ 59,251 | \$ 49,949 | 84 |

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Office's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Office's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the current year. As of June 30, 2013, the Office's governmental funds reported a combined ending fund balance of \$109,062, an increase of \$50,514 in comparison with the year that is available for spending at the Office's discretion.

CAPITAL ASSETS

Capital Assets

The Office's investment in capital assets for its governmental activities as of June 30, 2013 and 2012 amounts to \$138 and \$703, respectively, (net of accumulated depreciation). This investment in capital assets includes office furniture and office equipment (see table below).

| | <u>2013</u> | <u>2012</u> |
|--|------------------|------------------|
| Office furniture, fixtures, and equipment | <u>\$ 15,415</u> | <u>\$ 15,415</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Office considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Revenues were budgeted on the assumption that service fees and grant fees will be in proportion to 2013.
- Expenses were budgeted based on the assumption that expenses would increase in 2014.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Office's finances for all those with an interest in the Office's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Public Defender of the Thirty-Fourth Judicial District Office of the Public Defenders, 2218 Jackson Blvd., Suite B, Chalmette, LA 70043.

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

June 30, 2013

(See Independent Accountant's Review Report)

| | <u>General Fund</u> | <u>Adjustments (Exhibit B)</u> | <u>Statement of Net Position</u> |
|--|--------------------------|------------------------------------|--------------------------------------|
| Assets | | | |
| Cash | \$ 97,096 | \$ - | \$ 97,096 |
| Due from other governmental units | 12,216 | - | 12,216 |
| Capital assets, net of accumulated depreciation | <u>-</u> | <u>138</u> | <u>138</u> |
| Total assets | <u><u>\$ 109,312</u></u> | <u><u>138</u></u> | <u><u>109,450</u></u> |
| Liabilities | | | |
| Accounts payable and accrued expenditures | \$ 250 | - | 250 |
| Fund Balance / Net Position | | | |
| Fund balance - unassigned | <u>109,062</u> | <u>(109,062)</u> | <u>-</u> |
| Total liabilities and fund balance | <u><u>\$ 109,312</u></u> | <u><u>(109,062)</u></u> | <u><u>250</u></u> |
| Net position: | | | |
| Invested in capital assets | | 138 | 138 |
| Unrestricted | | <u>109,062</u> | <u>109,062</u> |
| Total net position | | <u><u>\$ 109,200</u></u> | <u><u>\$ 109,200</u></u> |

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

June 30, 2013

(See Independent Accountant's Review Report)

| | | |
|---|-----------------|---------------------------------|
| Fund Balance - Governmental Fund | | \$ 109,062 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund. | | |
| Governmental capital assets | \$ 15,415 | |
| Less accumulated depreciation | <u>(15,277)</u> | <u>138</u> |
| Net Assets of Governmental Activities | | <u><u>\$ 109,200</u></u> |

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2013

(See Independent Accountant's Review Report)

| | <u>General Fund</u> | <u>Adjustments (Exhibit C)</u> | <u>Statement of Activities</u> |
|--|-------------------------|------------------------------------|------------------------------------|
| Revenues | | | |
| Service fees | | | |
| St Bernard Parish Sheriff | \$ 189,602 | \$ - | \$ 189,602 |
| State Revenue District Assistance Fund | | | |
| Louisiana Public Defender Board | 227,376 | - | 227,376 |
| Miscellaneous | | | |
| Interest income | 68 | - | 68 |
| | <u>417,046</u> | <u>-</u> | <u>417,046</u> |
| Total revenues | | | |
| Expenditures/Expenses | | | |
| General government | | | |
| Materials and supplies | 1,658 | - | 1,658 |
| Other services and charges | | | |
| Contractual services | 354,110 | - | 354,110 |
| Professional services | 8,000 | - | 8,000 |
| Library and research | 1,307 | - | 1,307 |
| Office | 952 | - | 952 |
| Miscellaneous | 284 | - | 284 |
| Repairs and maintenance | 221 | - | 221 |
| Depreciation | - | 565 | 565 |
| | <u>366,532</u> | <u>565</u> | <u>367,097</u> |
| Total expenditures/expenses | | | |
| Excess (Deficit) of Expenditures over Revenue | 50,514 | (50,514) | - |
| Change in Net Position | - | 49,949 | 49,949 |
| Fund Balance/Net Position | | | |
| Beginning of year | 58,548 | 703 | 59,251 |
| End of year | <u>\$ 109,062</u> | <u>\$ 138</u> | <u>\$ 109,200</u> |

See notes to financial statements

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2013

(See Independent Accountant's Review Report)

| | |
|---|-------------------------|
| Net Change in Fund Balance - Governmental Fund | \$ 50,514 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures | |
| However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | |
| Depreciation expense | <u>(565)</u> |
| Change in Net Position of Governmental Activities | <u>\$ 49,949</u> |

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2013

(See Independent Accountant's Review Report)

| | <u>Budget Original / Final</u> | <u>Actual GAAP Basis</u> | <u>Adjustments Budget Basis</u> | <u>Actual Budget Basis</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|--|----------------------------------|---|------------------------------------|---|
| Revenues | | | | | |
| Service fees | | | | | |
| St Bernard Parish Sheriff | \$ 189,362 | \$ 189,602 | \$ | \$ 189,602 | \$ 240 |
| State Revenue District Assistance Fund | | | | | |
| Louisiana Public Defender Board | 227,376 | 227,376 | - | 227,376 | - |
| Interest income | 63 | 68 | - | 68 | 5 |
| | <u>416,801</u> | <u>417,046</u> | <u>-</u> | <u>417,046</u> | <u>245</u> |
| Total revenues | | | | | |
| Expenditures | | | | | |
| General Government | | | | | |
| Materials and supplies | 1,658 | 1,658 | - | 1,658 | - |
| Other services and charges | | | | | |
| Contractual services | 354,468 | 354,110 | - | 354,110 | 358 |
| Professional services | 8,000 | 8,000 | - | 8,000 | - |
| Library and research | 1,118 | 1,307 | - | 1,307 | (189) |
| Office | 218 | 952 | - | 952 | (734) |
| Miscellaneous | 518 | 284 | - | 284 | 234 |
| Repairs and maintenance | - | 221 | - | 221 | (221) |
| | <u>365,980</u> | <u>366,532</u> | <u>-</u> | <u>366,532</u> | <u>(552)</u> |
| Total expenditures | | | | | |
| Excess (Deficit) of Expenditures Over Revenues | 50,821 | 50,514 | <u>\$ -</u> | 50,514 | <u>\$ (307)</u> |
| Fund Balance | | | | | |
| Beginning of year | <u>58,548</u> | <u>58,548</u> | | <u>58,548</u> | |
| End of year | <u>\$ 109,369</u> | <u>\$ 109,062</u> | | <u>\$ 109,062</u> | |
| See notes to financial statements | | | | | |

NOTES TO FINANCIAL STATEMENTS**Thirty-Fourth Judicial District Office of the Public Defenders**

June 30, 2013

(See Independent Accountant's Review Report)

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") established in compliance with Louisiana Revised Statutes 15:146 et seq., provides counsel to represent indigents (needy individuals) in criminal, quasi-criminal, juvenile, municipal and traffic cases at the District Court level. The judicial district encompasses the Parish of St. Bernard, Louisiana. All duties and responsibilities for the management of the personnel, property, and funds will by virtue of Act 307 transfer to the Chief Public Defender who will then be referred to as District Public Defender. Revenues to finance the Office's operations are derived from district assistance funds, court costs on fines imposed by the various courts within the district and other fees.

The accounting policies of the Thirty-Fourth Judicial District Office of the Public Defenders conform to accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a. Reporting Entity

The Office has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

In accordance with Act 307 of the Louisiana Legislature for the year 2007, the Office passed a resolution transferring all of its powers and duties to the District Public Defender as of August 15, 2007 and ceased to exist. This act does not alter the entity or any of its activities or functions, only the governance. The District Public Defender's authority is contingent upon the approval of the Louisiana Public Defender Board, who appointed and may relieve the District Public Defender of his duties.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation

The Office's basic financial statements consist of the government-wide statements on all activities of the Office and the governmental fund financial statements.

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Office. The government-wide presentation focuses primarily on the sustainability of the Office as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on major funds in governmental categories. The daily accounts and operations of the Office continue to be organized on the basis of a fund and account group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the Office

General Fund - The General Fund is the general operating fund and is the only fund of the Office. It is used to account for all financial resources except those required to be accounted for in another fund

c. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Office considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Court costs on fines and forfeitures imposed by the Office and courts, reported as service fees, are recorded in the year they are collected by intermediate collectors. Fees from indigents are recorded when available. Interest income on cash balances is recorded as revenue when the income is available. Grants and miscellaneous revenues are recorded as revenues when received in cash by the Office because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

e. Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Office adopted a budget for the General Fund. For budgets exceeding \$500,000, the budgetary practices include public notice of the proposed budget, public inspection and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the District Public Defender. The Office's budget was not amended during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America

The General Fund budget presentation is included in the basic financial statements.

f. Accounts Receivable

The financial statements of the Office contain no allowance for bad debts. Uncollectible amounts due for receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

g. Capital Assets

The accounting treatment over property and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

Government-Wide Financial Statements:

In the government-wide financial statements, property and equipment is accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with cost less accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|---|--------------|
| Office furniture, fixtures, and equipment | 5 - 10 years |
|---|--------------|

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

h. Vacation and Sick Leave

The Office does not have a formal vacation and sick leave policy.

i. Fund Equity

Government-Wide Statements:

Equity is classified as net assets and displayed in three components:

- a Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Fund Equity (Continued)

Government-Wide Statements: (Continued)

are attributable to the acquisition, construction or improvement of those assets. As of June 30, 2013, there were no outstanding balances of debt

- b. **Restricted net assets** - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net assets** - All other net assets that do not meet the definition of "restricted" or "invested in capital assets".

When both restricted and unrestricted resources are available for use, it is the Office's policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2013 and for the year then ended, the Office did not have or receive restricted net assets.

Fund Financial Statements:

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. There was no nonspendable equity as of June 30, 2013.

Restricted - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted equity as of June 30, 2013.

Committed - amounts that can be used only for specific purposes determined by a formal decision of the Office. There was no committed equity as of June 30, 2013.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purposes. There was no assigned equity as of June 30, 2013.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Fund Equity (Continued)

Fund Financial Statements: (Continued)

Unassigned - all other spendable amounts.

For classification of Governmental Fund balances, the Office considers expenditures to be made from the most restrictive first when more than one classification is available. The Office's fund balance as of June 30, 2013 totaled \$109,062 all of which was classified as unassigned.

j. New GASB Statements

During the year ending June 30, 2013, the Office implemented the following GASB Statements.

Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position"*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflow of resources, and net position in a statement of financial position and related disclosures.

k. Subsequent Events

The Office evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 17, 2013, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits:

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year-end bank balances are as follows:

| | <u>Bank Balances</u> | <u>Reported Amount</u> |
|------|--------------------------|----------------------------|
| Cash | <u>\$ 104,770</u> | <u>\$ 97,096</u> |

Custodial credit risk is the risk that in the event of a bank failure, the Office's deposits may not be returned to it. The Office has a written policy for custodial credit risk. As of June 30, 2013, the Office's bank balances of \$104,770 were fully insured by federal deposit insurance.

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2013, consisted of the following:

| | |
|--------------------------------|------------------|
| Sheriff, Parish of St. Bernard | <u>\$ 12,216</u> |
|--------------------------------|------------------|

The amount due from the St. Bernard Parish Sheriff is for fines and fees collected.

Note 4 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

| | Balance July 1, 2012 | Additions | Balance June 30, 2013 |
|--|----------------------------|-----------------|-----------------------------|
| Capital assets being depreciated: | | | |
| Office furniture, fixtures, and equipment | \$ 15,415 | \$ - | \$ 15,415 |
| Less accumulated depreciation for: | | | |
| Office furniture, fixtures, and equipment | <u>(14,712)</u> | <u>(565)</u> | <u>(15,277)</u> |
| Total capital assets, net | <u>\$ 703</u> | <u>\$ (565)</u> | <u>\$ 138</u> |

These amounts are based on a physical inventory of capital assets.

Note 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2013, consisted of the following:

| | |
|--------------------|---------------|
| Contract attorneys | <u>\$ 250</u> |
|--------------------|---------------|

Note 6 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2013, the major sources of governmental fund revenues and expenditures were as follows:

| | |
|---|-------------------|
| Revenues: | |
| State government. | |
| Grants | \$ 227,376 |
| Local government: | |
| Statutory fines, fees, court costs, and other | 189,602 |
| Interest income | <u>68</u> |
| Total revenues | <u>\$ 417,046</u> |

Note 6 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES (Continued)

Expenditures:

Operating costs.

| | |
|------------------------------------|------------|
| Supplies | \$ 2,610 |
| Contract services - attorney/legal | 354,110 |
| Contract services - other | 8,000 |
| Library and research | 1,307 |
| Repairs and maintenance | 221 |
| Other | <u>284</u> |

| | |
|--------------------|--------------------------|
| Total expenditures | <u><u>\$ 366,532</u></u> |
|--------------------|--------------------------|

Note 7 - RISK MANAGEMENT

The Office is exposed to various risks to loss related to torts, theft or, damage to and destruction of assets, errors and omissions, and natural disasters, for which the Office carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated.

Note 8 - CONTRACTUAL SERVICES

For the year ended June 30, 2013, the Office had no employees. As a result, the District Public Defender and all defense attorneys were contracted for their services.

Note 9 - EXPENDITURES NOT INCLUDED IN ACCOMPANYING FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the Office which are paid out of the funds of the St Bernard Parish Government and other governmental entities. These expenditures include salaries, insurance, telephone, utilities, and other operating expenditures of the Office.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Thirty-Fourth Judicial District Office of the Public Defenders
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Office's compliance with certain laws and regulations during the year ended June 30, 2013 included in the accompanying Louisiana Attestation Questionnaire. Management of the Office is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with RS 38:2211-2296 (the public bid law) or R S 39:1551-39:1775 (the state procurement code), whichever is applicable.

No expenditures were made for materials and supplies exceeding \$30,000 or public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the Office as defined by RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Office, as well as their immediate families

Management provided us with the required list including the noted information.

- 3 Obtain from management a listing of all employees paid during the period under examination

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from the Office in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2) as immediate family members.

Budgeting

- 5 Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

Due to the size of the Office there are no board members, therefore, this question does not apply

- 7 Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

No revenues failed to meet 5% of the final budget. In three instances, the expenditure line item exceeded 5% of the final budget amount.

Accounting and Reporting

- 8 Randomly select six disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amount and made to the correct payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals by the Office.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42 28 (the open meetings law).

This is not applicable since the Office does not have a separate board and the District Defender reports to the Louisiana Public Defender Board.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

The Office does not have employees.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you

This report is intended solely for the use of Management of the Office and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 17, 2013.

SCHEDULE OF FINDINGS AND RESPONSES

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2013

Section I - Summary of Accountant's Review Report

a) Financial Statements

Type of review report issued: unqualified

Noncompliance material to financial statements noted? ____ Yes X No

b) Federal Awards

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend federal awards during the year ended June 30, 2013.

Section II - Financial Statement Findings

Compliance and Other Matters

13-01 Budget Variance

Criteria - Louisiana Revised Statute 39.1310 requires the Office to amend its budget when budgeted revenues and other sources or expenditures exceed actual revenues and other sources or expenditures by more than 5%.

Condition - The Office's actual expenses for three line items exceeded its budgeted expense by more than 5%.

Questioned Costs - None.

Context - Not Applicable.

Cause - The actual expense incurred was more than what was anticipated

Section II - Financial Statement Findings (Continued)

Compliance and Other Matters (Continued)

13-01 Budget Variance (Continued)

Effect - The Office has not complied with state budget laws.

Recommendation - The Office should monitor its expense periodically to determine the needs of the Office. The Office's budget should be amended accordingly.

View of responsible officials of the auditee when there is disagreement with the finding, to the extent practical - None.

Section III - Federal Award Findings and Questioned Cost

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2013

Section I - Compliance and Other Matters Material to the Financial Statements

Compliance and Other Matters

12-01 Budget Variance

Recommendation - It was recommended that the Office monitor its expense periodically to determine the needs of the Office. The Office's budget should be amended accordingly

Management's Response - Unresolved. The Office's actual expenses exceed the budgeted expense amount by more than 5% for three items. The Office will monitor expense more closely in the future. See 13-01.

Section II - Compliance Material to Federal Awards

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend federal awards during the fiscal year ended June 30, 2012.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the fiscal year ended June 30, 2012.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2013

Section I - Compliance and Other Matters Material to the Financial Statements

13-01 Budget Variance

Recommendation - The Office should monitor its expense periodically to determine the needs of the Office. The Office's budget should be amended accordingly.

Management's Response - The office will investigate future disbursements to determine the nature of the disbursements and amend the budget accordingly.

Section II - Compliance Material to Federal Awards

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend federal awards during the year ended June 30, 2013.

Section III - Management Letter

A management letter was not issued in connection with the review of the financial statements for the year ended June 30, 2013.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

December 17, 2013

Bourgeois Bennett, L L C
Certified Public Accountants
P O Box 60600
New Orleans, LA 70160-0600 (Auditors)

In connection with your review of our financial statements as of June 30, 2013 and for the year then ended, and as required by Louisiana Revised Statute 24 513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations We have evaluated our compliance with the following laws and regulations prior to making these representations

These representations are based on the information available to us as of December 17, 2013

Public Bid Law

It is true that we have complied with the public bid law, R S Title 38 2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office
Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R S 42 1101-1124
Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R S 42 1119
Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R S 39 1301-16), R S 39 33, or the budget requirements of R S 39 1331-1342, as applicable
Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R S 44 1, 44 7, 44 31, and 44 36
Yes ☒ No ☐

We have filed our annual financial statements in accordance with R S 24 514, and 33 463 where applicable
Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R S 24 513
Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R S 42 1 through 42 13

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R S 39 1410 60-1410 65

Yes ☒ No ☐


Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R S 14 138, and AG opinion 79-729


Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations We have made available to you documentation relating to the foregoing laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report



District Public Defender



Date